



COUNTY OF LOS ANGELES 9.180

DEPARTMENT OF HUMAN RESOURCES

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August 10, 1998

To: Each Department Head

From: Michael J. Henry *[Signature]*
Director of Personnel

Subject: **MANAGEMENT APPOINTMENTS**

On August 4, 1998, the Board of Supervisors approved a policy on managerial salaries, promotions and demotions. Attached is a copy of the policy, developed by a task force, as modified by the Board. The new policy is effective immediately and applies to all appointments in the classified and unclassified service. At a future date, the Board will consider an exemption for appointments to unclassified positions by elected officials.

This new policy is within the constraints of the hiring freeze and CAO approval is required to fill any management vacancy. In addition, all provisions of the County Code relating to pay programs such as the Management Appraisal and Performance (MAP) Plan or the Step Pay Plan continue to apply and may continue to require Board or CAO approval in certain cases, where not required by this new Board policy. What this means is that the policy must be viewed in concert with the County Code. You must comply with the County Code; however, where these policies are more restrictive than the County Code, they prevail.

The policy can be summarized as follows:

- Increases the current \$85,000 salary threshold for Board approval to \$95,000.
- Exempts from Board approval requirements, all promotions of 5.5% or less (2.5% within A-Ranges for attorney classes or the minimum otherwise required by the County Code) even though the salary may be over \$95,000.

Each Department
August 10, 1998
Page 2

- Provides department head authority, under the MAP Plan, for granting promotional increases up to and including 10%, where the final salary is below the control point of the new salary range even where the salary is over \$95,000.
- Requires Board approval for all new hire appointments from outside County service over \$95,000.
- Provides that managers compensated under the MAP Plan, who are demoted for other than disciplinary reasons, will have their salary reduced to no more than what the salary would have been if the promotion had not occurred.

Also attached is the Board approved process and criteria for obtaining Board approval to hire/promote into management positions. Departments should submit requests which require Board approval to the Chief Administrative Office for review and recommendation to the Board. All requests must be for vacant and budgeted positions and must be submitted far enough in advance of the anticipated effective date to ensure that there will be no retroactive appointments.

Hypothetical examples have been provided to help clarify the new policy and process. If you or your staff have any questions or would like to meet with my staff for a more detailed discussion, please contact Jeffrey Samsom at (213) 974-2451 or Marian Hall at (213) 738-2238.

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Attachments

c: Each Supervisor

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BOARD APPROVED POLICY ON MANAGEMENT APPOINTMENTS

The objective of this policy is to ensure that department heads have the ability to hire and promote highly qualified employees into management positions consistent with sound fiscal management and the salary policies applicable to the majority of County employees.

These general guidelines will be followed for all management appointments including those which require Board or CAO approval and those which are at the discretion of the department head. Any requests for exceptions to this policy must be fully justified and include a clear statement of unusual circumstances which make this particular request significantly different from the usual promotion or new hire.

Requests for Board and/or CAO approval may only be submitted for vacant and budgeted positions and should only be submitted to the CAO far enough in advance of the anticipated effective date to ensure that there will be no retroactive appointments.

THRESHOLD FOR BOARD APPROVAL ON SALARIES OVER \$85,000:

- Increase the current \$85,000 salary threshold to \$95,000.
- When Board approval is required, Board approved standards must be met.

POLICY FOR PROMOTION OF COUNTY EMPLOYEES

1. Promotional salary should reflect the normal required promotional increase of 5.5% or the minimum of the range, whichever is more. Greater increases must be justified and documented to include:
 - Equity with other managers salaries at the same level of responsibility and seniority in the position. The salary of newly promoted managers should not exceed the salary of existing managers at the same level and should be less than those with more experience. The salary should also be consistent with salaries identified on documented external salary survey data.
 - Consideration of experience gained in an acting capacity at the higher level may justify a higher salary but should be commensurate with the salary and experience level of other managers. The County Code requires that MAP participants acting at a higher level shall be paid a salary 5.5% more during the term of the assignment after the position is vacant for 30 calendar days. This additional compensation continues until the acting capacity is terminated or until the employee is promoted.

- Salary should reflect appropriate differentials of 5.5% (2.5% for attorney classes within A-Ranges) when compared to immediate superiors and subordinates.
2. As a general rule, promotions within MAP will reflect a one salary range increase. Promotions greater than one range should be fully explained and justified. When a manager is being promoted more than one salary range, the new salary may reflect more than the minimum increase considering the increase in level of responsibility as long as internal equity is maintained.

Board Approval Required:

- Salary increases that are greater than 10% and do not exceed the Control Point of the new Salary Range.
- Any appointment above the Control Point of the new Salary Range, except for the minimum increase of 5.5% (2.5% for attorney classes within A-Ranges) as required by the County Code MAP provisions.
- All appointments above the Control Point of the new Salary Range that are over \$95,000, except for the minimum increase of 5.5% (2.5% for attorneys within A-Ranges) or minimum of the Salary Range.

Board Approval Not Required:

- Minimum promotional increase of 5.5% (2.5% for attorney classes within A-Ranges) anywhere in the Salary Range or any increase to the minimum of the Salary Range as required by the MAP Code provision.
- Salary increase of 10% or less, provided that the salary rate does not exceed the Control Point of the new Salary Range.

POLICY FOR NEW HIRES FROM OUTSIDE COUNTY:

1. As a general rule, new hires should be brought in below the Control Point of the salary range.
2. Salary and benefits should reflect an increase only when County position is more responsible or higher level than previous position.
3. Salary should reflect equity for the new appointee considering other managers at the same level of responsibility within the department, their length of service and relative performance. As a general guideline, newly hired employees should not be

brought in at salary levels which exceed the salaries of existing employees with similar levels of experience and performance expectations. However, in limited situations, where special or unique skills are required, the salary may reflect the impact of external job market forces which require a higher salary based on documented external salary survey data.

Board Approval Required:

- Appointments over \$95,000.
- Appointments within the 4th quartile of the Salary Range as provided in the MAP Plan. (CAO approval required for 3rd quartile).

Board Approval Not Required:

- Appointments under \$95,000 and less than the 4th quartile of the Salary Range.

POLICY FOR DEMOTION OF MANAGERS

This policy covers "voluntary" demotions and demotions of unclassified employees who have the right to return to the classified service.

1. Managers demoted for other than disciplinary reasons should be placed at a salary in the lower level position which they would have achieved had they never been promoted--including any applicable salary increases approved by the Board, where applicable to the lower level position.
2. Managers demoted for disciplinary reasons should be placed at a salary in the lower level position consistent with their level of performance. This reduced salary may be less than the salary previously held in the lower level position at the discretion of the department head.

County Code Section 6.08.350 (A) provides that MAP participants who take a voluntary demotion shall be placed at any salary in the lower range not to exceed the Range maximum or the current salary, whichever is less. The following policy shall govern such salary placements and may result in a salary lower than the maximum permitted by the County Code:

- MAP employees demoted to a lower level MAP position shall be placed at a salary no higher than the salary which the participant would have achieved had he/she not been promoted to the higher level position. This salary shall include the former actual salary:
 - Plus Board approved general salary adjustment

- Plus Board approved Management Salary Adjustments based on actual performance ratings
- The resulting salary cannot exceed the limit of 6.08.350 (A) above

This policy can be implemented with no changes to the County Code.

- MAP employees demoted to a class compensated under the Step Pay Plan shall be entitled to the highest existing step of the lower level position which does not exceed his/her salary prior to the demotion (County Code Section 6.08.110 (B)). No change recommended to current Code provision.
- MAP employees demoted prior to completion of the probationary period shall be returned to the salary he/she held prior to the promotion as though the person had never occupied the higher level position. (Code Section 6.08.350 (B)). No change recommended to current Code provision.

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**EXAMPLES OF BOARD APPROVED
POLICY ON MANAGEMENT APPOINTMENTS
Where Board Approval Is/Is Not Required**

Transaction	% Increase	New Salary		Is Board Approval Required?
		Control Point	\$95,000	
Promotion	5.5*	At or Below	Below	No
Promotion	5.5*	At or Below	Above	No
Promotion	5.5*	Above	Above	No
Promotion	5.5*	Above	Below	No
Promotion	10.0	At or Below	Below	No
Promotion	10.0	At or Below	Above	No
Promotion	10.0	Above	Above	Yes
Promotion	10.0	Above	Below	Yes
Promotion	12.0	(N.A. all promotions above 10.0% require Board Approval)		Yes
New Hire	N.A.	At or Below	Below	No
New Hire	N.A.	At or Below	Above	Yes
New Hires	N.A.	Above	Below	No**
New Hires	N. A.	Above	Above	Yes

*Or 2.5% for Attorney classes within A-Ranges or minimum of Salary Range.

**Will require CAO and/or Board approval if new salary is within third or fourth quartile per County Code provisions of MAP.

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PROCESS AND CRITERIA FOR OBTAINING BOARD APPROVAL TO HIRE/PROMOTE INTO MANAGEMENT POSITIONS

- I. Departments prepare their requests for Board approval and submit them to the Chief Administrative Office for review and recommendation to the Board. Approval requests may be submitted for vacant and budgeted positions and should only be submitted to the CAO far enough in advance of the anticipated effective dates to ensure that there will be no retroactive appointments. Each request must identify if the action is for a promotion or new hire and include:
 - Certification that the position is vacant and budgeted. Indicate how long the position has existed in the department.
 - Attachment of an organization chart highlighting the position. Describe where the position fits into the management organization structure of the department and span of control.
 - Indication of the current salary of the individual for whom the request is being submitted. Indicate the proposed salary and the percentage increase over the current salary. Provide additional justification:
 1. For promotions, if the salary increase is greater than 10% and below the control point of the new salary range, provide justification to support the increase.
 2. For promotions, any appointment above the control point of the new salary range, except for the minimum increase of 5.5% (2.5% for attorney classes).
 3. For promotions, any appointment over \$95,000, except for the minimum increase of 5.5% (2.5% for attorney classes).
 4. New hires over \$95,000 or 4th quartile of the salary range.
 - For promotions, if the individual has been performing this function, indicate how long this has been occurring. The County Code requires that MAP participants acting at a higher level shall be paid 5.5% more during the term of the assignment after the position is vacant for 30 calendar days.
 - For promotions, identify the number of salary ranges the individual is moving.
 - Provide external salary survey information, if available. Identify the cost of hiring from outside County service for the position.

- Provide a listing of all equivalent internal positions within the organization including name, classification, salary range, salary, and appointment date. Describe how this position relates to other positions within the organizational structure including comparability of duties and responsibilities. Internal comparisons will be given greater consideration than external comparisons.
 - Identify by name, classification, salary range and salary all management positions in the department above the position being requested.
 - Identify by name, classification, salary range and salary the highest paid subordinate reporting to this position.
- II. CAO reviews each request. If the CAO concurs with the department, the request will be forwarded to the Board.
- III. The Board will be provided two weeks for review and comment back to the CAO. If after two weeks, there is no Board comment, the CAO will authorize departments to proceed with the hiring/promotion. If one or more Board offices disagree with the request, it will require action by the Board and the department may request the action be placed on the Board agenda or may withdraw the request for hiring/promotion.
- IV. The performance expectations of newly promoted should be the same as all other equivalent positions.

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**HYPOTHETICAL EXAMPLES
FOR OBTAINING BOARD APPROVAL TO HIRE/PROMOTE
INTO MANAGEMENT POSITIONS**

Example #1

Employee A is promoted from an R10 to R11. The department submits a request for Board approval of a promotional salary increase greater than 5.5% above the control point of the new salary range. Employee A's current salary is \$74,981 (Control point of R10). Employee A has been performing the duties of the R11 position for over one year. An 8% salary adjustment is proposed increasing the salary to \$80,979 which is \$373 over the control point of the new salary range. The highest paid subordinate's salary is \$78,812 or 2.5% less than the requested salary. The requested salary is also consistent with the salaries of other managers at R11 in the department.

CAO recommends the Board approve the promotional salary increase.

Example #2

Employee B is promoted from an R13 to R14. The department submits a request for Board approval of a promotional salary increase greater than 10% below the control point of the new salary range. Employee B's current salary is \$89,815. An 11% salary adjustment is requested increasing the salary to \$99,694, which is below the control point of the new salary range. Because the requested increase is in excess of 10%, it must be approved by the Board even though it is below the Control Point. The requested increase is not supported by analysis of the salaries of subordinates or the salaries of other R14 managers in the department.

CAO does not recommend the promotional salary increase to the Board of Supervisors and returns request to department. The Department can either withdraw the request and take no further action or file the request on the Board agenda for Board approval.

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